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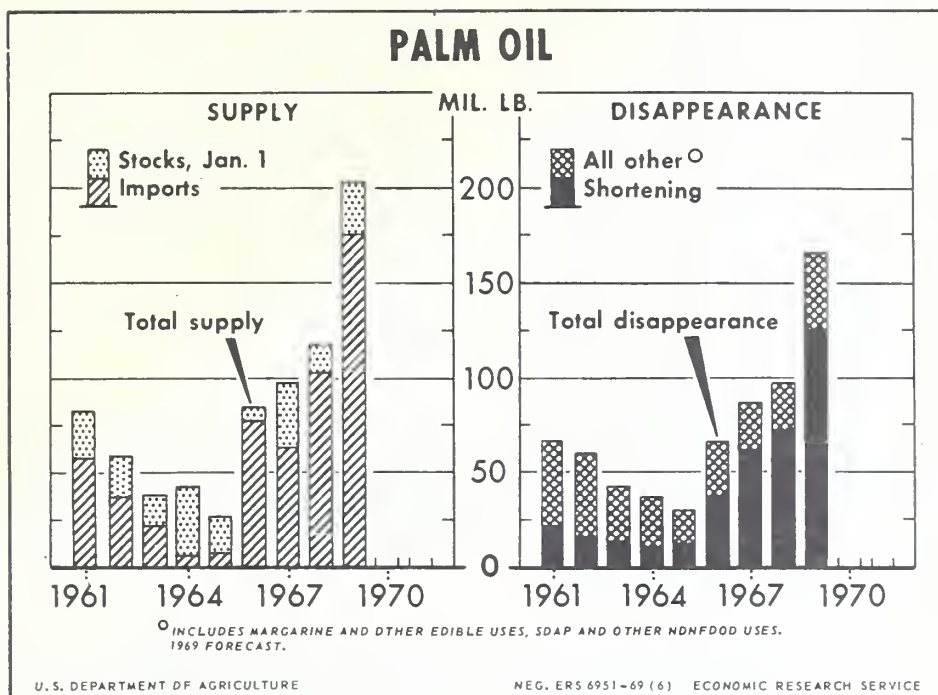
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U.S. CONSUMPTION OF IMPORTED PALM OIL INCREASING

by

George W. Kromer



U.S. supplies of imported palm oil since 1965 have increased sharply to an estimated 200 million pounds for 1969. Palm oil is brought in duty free mainly from Indonesia and Malaysia where production is expanding rapidly. Palm oil prices have dropped in recent years resulting in more competition for domestically produced soybean oil. Imports of palm oil likely will con-

tinue to increase; world export availabilities are expected to triple by 1975.

In 1969, around 160-170 million pounds of palm oil are expected to be consumed domestically, with approximately three-fourths going into shortening manufacture. The uptrend in domestic use is expected to continue as palm oil prices remain low. (See page 22).

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U.S. CONSUMPTION OF IMPORTED PALM OIL INCREASING

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George W. Kromer

U.S. imports and consumption of palm oil are increasing rapidly and probably will continue to do so in the foreseeable future. While imported supplies are still relatively small in the overall U.S. fats and oils economy--around 200 million pounds estimated for 1969--the prospective tripling of world export availabilities by 1975 points to increasingly keen competition for the oils of U.S. soybeans and cottonseed both in the foreign and domestic markets. Palm oil enters the United States duty free, mostly from Indonesia and Malaysia, and the imported price is currently below domestic edible fats and oils. Shortening manufacture accounts for about three-fourths of palm oil use here, competing primarily with soybean oil in this market. Palm oil is also used in margarine and soap production.

Palm kernel oil imports into the United States have also trended upward,

but the current and potential level is not as spectacular as that for palm oil. Palm oil is extracted from the outer fleshy pulp of the palm fruit; kernel oil from the fruit's kernels. Palm kernel oil is a high-lauric-acid oil similar to coconut oil and the 2 are often used interchangeably. Edible-grade palm kernel oil is dutiable at 0.5 cents per pound; the inedible grade enters duty free. Edible uses are mainly in the manufacture of confectioneries and biscuits or crackers. The inedible grade is used chiefly in making fatty acids and quick-lathering soap.

Palm oil prices generally vary with soybean oil prices, but palm kernel oil prices usually fluctuate with coconut oil prices. There is no commercial production of palm oil or palm kernel oil in the United States.

Palm Oil Imports Are Double Last Year's Rate

U.S. supplies of imported palm oil reached a low in 1965 but have since increased sharply to around an estimated 200 million pounds for 1969 (table 12). Imports during January-April 1969 totaled 54 million pounds compared with 24 million in the same period of 1968. Imports for all of calendar 1969 are estimated at around 175 million pounds, up sharply from 1968. U.S. stocks of palm oil on January 1 have averaged about 28 million pounds in recent years.

Last year, imports totaled 103 million pounds. Malaysia shipped us 57 million pounds or 55% of the total and Indonesia shipped 43 million pounds or 42% (table 15). These countries accounted for more than 90% of our imports during 1966-68. The Republic of the Congo was the major supplier of palm oil to the U.S. market in earlier years. But economic, political, and social instability following

Independence in June 1960 has reduced Congolese production and trade in palm products.

U.S. imports of palm oil were relatively low during 1960-65 when the General Services Administration (GSA) was selling the Government stockpile of 37.5 million pounds. All of this oil went into inedible uses. After GSA liquidation, imports jumped from a mere 7 million pounds in 1965 to 76 million in 1966 and have continued upward. The largest part of this increase was for edible use. The introduction of immediate refining of the oil in the producing countries improved the quality of palm oil and made this possible.

The value of U.S. imports of palm oil, as reported by the Bureau of the Census, dropped from 11.0 cents per pound in 1965 to 7.2 cents in 1968 (table 15).

Table 12.--Palm oil: U.S. supply, disposition and price, 1947-69

Calendar year	Supply			Disposition		Price per pound		
	Imports	Stocks Jan. 1	Total	Exports and re-exports ^{1/}	Domestic disappearance	Clarified, drums, New York	Congo, tank cars, New York	Malaya, 5% bulk, c.i.f., European ports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents	Cents	Cents
1947	63	15	78	12	43	---	---	---
1948	63	23	87	10	51	21.8	---	---
1949	82	26	108	9	57	16.1	---	---
1950	56	2/43	99	3	3/73	14.6	---	---
1951	101	2/23	124	1	3/97	23.1	---	---
1952	51	2/26	77	---	3/59	13.8	---	---
1953	36	2/17	53	---	3/39	12.2	---	---
1954	66	2/15	81	---	4/67	12.5	---	---
1955	44	20	64	---	59	13.0	---	---
1956	28	19	47	---	46	15.0	---	---
1957	19	21	40	---	42	15.2	---	---
1958	43	16	59	---	47	14.4	---	---
1959	31	12	43	---	4/42	14.6	12.3	---
1960	47	10	57	---	4/53	14.2	11.6	---
1961	56	26	82	---	4/66	14.6	11.8	---
1962	36	23	59	---	4/60	13.9	11.6	---
1963	24	14	38	---	4/44	14.0	11.6	---
1964	6	37	43	---	4/38	14.2	11.8	---
1965	7	19	26	---	4/30	15.8	13.4	12.4
1966	76	9	85	---	4/66	15.1	12.7	10.7
1967	64	33	97	---	4/86	14.8	12.6	10.2
1968 ^{5/}	103	16	119	---	4/97	14.5	12.0	7.7
1969 ^{5/}	175	28	203	---	165	7/12.5	7/11.2	7/ 7.6
1970								

^{1/} Mostly re-exports. As the import of palm oil is duty free, all imports are reported as imports for consumption. Hence, re-exports must be subtracted to obtain the domestic disappearance. ^{2/} Excludes stocks held by the U.S. Government for stockpiling of strategic materials. ^{3/} Allows for movement into or out of Government stockpiles. ^{4/} Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance. ^{5/} Preliminary. ^{6/} Forecast, except January 1 stocks. ^{7/} January-May 1969 average.

Table 13.--Palm oil: U.S. utilization, 1947-68*

Calendar year	Food				Nonfood				Total
	Shortening	Margarine	Other	Total	Soap	Fats and loss	Other	Total	domestic disappearance
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	0	0	0	0	1	1/	42	43	43
1948	3	0	0	3	1	1/	47	48	51
1949	0	0	0	0	4	1/	53	57	57
1950	0	0	0	0	5	1/	39	44	2/73
1951	0	0	0	0	3	1/	37	40	2/97
1952	0	0	1	1	3	0	56	59	2/59
1953	0	0	1	1	4	0	35	39	2/39
1954	16	0	0	16	8	4	39	51	67
1955	0	0	0	0	12	0	48	59	59
1956	0	0	0	0	4	0	43	46	46
1957	0	0	0	0	2	40	42	42	42
1958	0	0	0	0	1	0	46	47	47
1959	0	0	3	3	5	0	33	38	42
1960	0	0	1	1	10	0	41	52	53
1961	21	5	4	30	0	0	37	37	66
1962	16	4	9	29	1	0	30	31	60
1963	14	1	2	17	3	0	24	27	44
1964	11	0	0	11	0	0	27	27	38
1965	13	0	0	13	0	0	17	17	30
1966	38	0	14	52	0	0	14	14	66
1967	61	0	1	62	0	0	24	24	86
1968 ^{3/}	72	0	4	76	0	0	20	20	97
1969									
1970									

^{1/} Less than 500,000 pounds.

^{2/} Includes Government stockpiling activities.

^{3/} Preliminary.

* Mostly ERS estimates, as Census end-use data are limited in order to avoid disclosing figures for individual companies.

Table 14.--Palm oil: U.S. monthly supply, consumption and price, 1965-69

Year and Item	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total or Average
<u>1965</u>														
Beg. Stocks	Mil. lb.	19	18	16	16	11	12	10	12	10	10	8	11	
Imports	Mil. lb.	1	0	1	1	0	0	1	0	0	0	3	0	7
Factory Use	Mil. lb.	3	4	4	3	2	2	2	2	2	2	2	3	30
Value of imports	\$ Per lb.	10.6	---	10.2	11.5	---	---	13.0	---	---	---	10.7	---	11.0
<u>1966</u>														
Beg. Stocks	Mil. lb.	9	8	6	8	8	11	18	18	24	17	19	32	
Imports	Mil. lb.	0	2	2	4	4	10	3	10	3	9	20	9	76
Factory Use	Mil. lb.	4	4	3	3	3	4	4	8	8	10	7	8	66
Value of imports	\$ Per lb.	---	14.2	11.0	10.8	10.5	9.8	9.3	10.0	10.4	9.5	10.5	10.2	10.2
<u>1967</u>														
Beg. Stocks	Mil. lb.	33	46	47	42	39	34	26	18	16	13	14	12	
Imports	Mil. lb.	20	12	7	1	1	1	0	0	10	3	6	4	64
Factory Use	Mil. lb.	8	8	8	8	8	8	6	6	7	6	6	5	86
Value of imports	\$ Per lb.	10.0	10.6	9.8	9.3	9.2	9.0	---	---	10.0	9.8	9.9	9.9	10.0
<u>1968</u>														
Beg. Stocks	Mil. lb.	16	12	12	19	20	20	21	19	12	28	25	20	
Imports	Mil. lb.	1	5	17	1	5	3	9	1/	19	15	12	17	103
Factory Use	Mil. lb.	6	5	6	6	7	7	7	10	8	12	12	11	97
Value of imports	\$ Per lb.	8.6	9.5	8.3	9.1	8.6	8.0	8.0	9.5	7.2	6.8	6.1	5.4	7.2
<u>1969</u>														
Beg. Stocks	Mil. lb.	28	38	32	32	38								
Imports	Mil. lb.	13	16	7	18									
Factory Use	Mil. lb.	13	11	12	13									
Value of imports	\$ Per lb.	5.7	5.2	6.7	5.9									

1/ Less than 500,000 pounds.

Value of imports is based on Bureau of Census data.

So far in 1969 the value has averaged 5.8 cents. This is well below prices

of domestically produced edible fats and oils.

Domestic Use Continues Upward; Shortening is Big Market

U.S. disappearance of palm oil increased steadily from 30 million pounds in 1965 to 97 million in 1968. Based on January-April indications, domestic use for all of 1969 probably will be around 160-170 million pounds--about 70% more than 1968.

Edible use now accounts for about four-fifths of total U.S. consumption, nearly all in shortening manufacture. Use in shortening rose from 13 million pounds in 1965 to 72 million in 1968 (table 13). So far in 1969, use in shortening is running about double the year earlier pace.

Record-high consumption of palm oil occurred in 1937 when 340 million pounds were imported and utilized domestically. At that time, soap was the largest single

market, comprising nearly half of total U.S. disappearance. Since World War II only small quantities have been used in soap. Synthetic detergents based on petroleum products have largely displaced laundry soaps. Palm oil does not have the quick-lathering properties of coconut and palm-kernel oils, which make them useful in the toilet soaps that are still in demand. The United States was a net importer of fats and oils prior to World War II but shortly thereafter became a net exporter.

U.S. imports and consumption of palm oil are expected to continue to gain. The outlook is based upon prospective sharp increases in world export availabilities--which will grow faster than other oilseed crops--and a relatively low price level for palm oil.

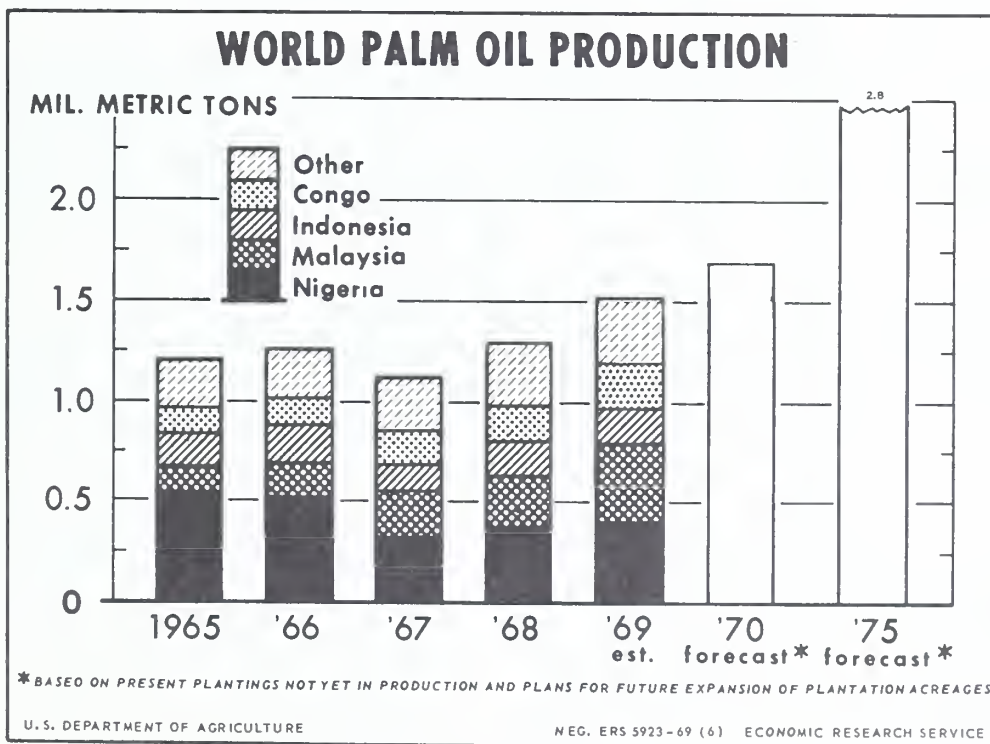


Table 15.--Palm Oil: U.S. imports by country of origin and value, 1960-68

Country of origin	1960	1961	1962	1963	1964	1965	1966	1967	1968 ^{1/}
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
North America:									
Canada	---	2/	---	2/	---	.2	2/	---	---
Costa Rica	1.1	2.4	---	---	---	---	---	---	---
Total	1.1	2.4	---	2/	---	.2	2/	---	---
Europe:									
Belgium	.6	2/	.3	.3	.1	---	.2	---	.4
Netherlands	---	---	.1	---	---	---	---	2.2	.4
Total	.6	2/	.4	.3	.1	---	.2	2.2	.8
Africa:									
Nigeria	.7	---	4.2	5.3	---	---	6.2	2.6	---
Republic of Congo	40.2	23.5	14.8	12.2	4.7	2.3	3.0	1.5	2.2
Total	40.9	23.5	29.0	17.5	4.7	2.3	9.2	4.1	2.2
Asia:									
Indonesia	4.2	30.0	16.1	5.7	1.5	4.0	47.1	40.8	43.4
Malaysia	---	---	---	---	---	---	19.4	17.1	56.9
Total	4.2	30.0	16.1	5.7	1.5	4.0	66.5	57.9	100.3
Grand Total	46.8	56.0	35.5	23.5	6.3	6.6	75.9	64.3	103.3
Value of imports:									
Total (Mil. dol.)	5.0	5.4	3.3	2.1	.6	.7	7.8	6.4	7.4
Per pound (cents)	10.7	9.6	9.2	9.0	10.0	11.0	10.2	10.0	7.2

^{1/} Preliminary.^{2/} Less than 50,000 pounds.

Table 16.--Palm oil: Estimated production and exports by major countries, annual 1964-68

Country	Production ^{1/}					Exports				
	1964	1965	1966	1967	1968	1964	1965	1966	1967	1968
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Western Hemisphere:										
Costa Rica	19.6	20.2	20.0	21.0	22.4	---	---	---	---	---
Brazil	14.2	18.8	24.2	21.6	26.4	---	---	---	---	---
Colombia	1.2	4.8	6.2	19.0	44.0	---	---	---	---	---
Paraguay	13.0	11.0	10.0	9.2	10.0	7.7	5.5	6.0	4.6	4.4
Total	48.0	54.8	60.4	70.8	102.8	7.7	5.5	6.0	4.6	4.4
Africa:										
Angola	40.4	33.6	32.0	33.0	32.0	39.2	32.2	32.0	34.2	30.9
Cameroon	66.2	75.0	88.2	77.2	88.2	19.6	28.7	33.1	37.9	2/34.2
Congo, Brazzaville	8.6	7.2	5.8	2/6.6	2/6.6	5.7	4.6	1.8	.9	2/1.1
Congo, Kinshasa	363.8	275.6	323.8	394.4	463.0	273.1	173.3	172.2	254.4	350.1
Dahomey	99.2	96.0	2/85.4	2/75.0	2/98.0	28.0	29.3	21.8	18.7	22.0
Gabon	2.4	2.4	2.2	2.4	2.8	.9	2.4	2.0	2.2	2/3.3
Gambia	3.8	4.6	4.6	4.6	2/4.6	---	---	---	---	---
Ghana	58.2	81.2	81.2	83.6	84.6	---	---	---	---	---
Guinea, Spanish	7.0	8.4	2/8.8	2/8.8	2/8.8	6.2	8.4	6.0	6.6	2/6.6
Ivory Coast	62.0	61.8	66.2	2/70.6	2/77.2	2.0	-7.7	-7.7	-1.3	-1.3
Liberia	26.4	33.0	35.2	37.4	26.4	---	---	---	---	---
Nigeria	1,135.4	1,168.4	1,120.0	716.4	2/771.6	300.7	336.0	322.1	36.8	9.5
Sao Tome and Principe	4.0	4.4	2/4.4	2/4.4	2/4.4	1.3	2.0	1.5	1.1	2/1.1
Sierra Leone	85.0	85.0	87.4	89.6	92.6	---	---	---	---	---
Togo	.2	.8	1.2	.2	2/2.2	.2	4/	.4	.4	4/
Total	1,962.6	1,937.4	1,946.4	1,604.2	1,761.0	676.9	616.2	589.2	391.9	457.5
Asia										
Sabah	---	---	---	---	---	2.0	3.7	7.3	19.6	39.0
Indonesia	354.8	363.8	385.8	383.6	2/396.8	293.7	277.6	390.4	289.7	352.7
Malaysia ^{3/ 5/}	270.8	331.6	418.2	496.2	617.0	274.9	311.3	399.3	396.8	589.5
Singapore ^{3/ 5/}	---	---	---	---	---	3.3	-2.4	-6.4	-11.0	72.8
Total	625.6	695.4	804.0	879.8	1,013.8	575.9	590.2	790.6	695.1	1,054.0
Grand total	2,636.2	2,687.6	2,810.8	2,554.8	2,877.6	1,258.5	1,211.9	1,381.8	1,091.6	1,515.9

^{1/} Commercial production unless otherwise specified. 1968 Preliminary.^{2/} Estimated.^{3/} Net exports.^{4/} Less than 50,000 pounds.^{5/} Estates only.

Foreign Agricultural Service, Fats and Oils Division.

Production of Palm Oil Expanding; Export
Availabilities May Triple by 1975

World palm oil production, following several years of slight fluctuations, is now expanding rapidly. The leading producers are Nigeria, Malaysia, Congo, and Indonesia--accounting for about four-fifths of the world's total (table 16). Commercial production has risen from about 2.6 billion pounds in 1964 to an estimated 3.4 billion in 1969. ^{1/} Virtually all of the palm oil is produced in developing countries.

The rate of expansion in palm oil output is expected to increase as a larger proportion of the plantation acreage planted in recent years comes into bearing. New trees require 4 to 5 years before bearing fruit and do not reach maximum yields until about the 10th year. However, they remain commercially productive until they are about 30 to 35 years old, after which the height makes harvesting difficult. Palm products are harvested throughout the year. The fruits ripen in about 6 months so 2 crops per year are obtained. Most other oilseed crops are annuals and the harvest is seasonal.

The African oil palm cultivated in plantations yields more edible vegetable oil per acre--from 0.5 to 2.0 tons or more--than any other fat-bearing plant. ^{2/} U.S. soybeans yield on the average around 300 pounds of oil per acre.

The newer high-yielding varieties of African oil palm now being planted yield more palm oil relative to palm kernels than older varieties. Thus, palm oil output likely will continue to increase at a far sharper rate than that of palm kernel oil.

Composition of the palm fruit is roughly: Pericarp (outer fleshy pulp) 40 to 70%; shell 30 to 40%; and kernel 7 to 12%. Palm oil is extracted from the pericarp, which varies widely in oil yield--20 to 50%--depending upon variety, growing conditions, and processing methods. Palm kernel oil is extracted from the fruit's kernels, which contain between 44

and 53% oil. Palm kernel oil production ranges between 20 and 40% of the volume of palm oil produced. Processing of palm fruit for oil occurs only where oil palms are grown, because the fruit is perishable. Large quantities of palm kernels are exported for crushing in importing countries because they are storable.

According to a recent FAS study, world export availabilities of palm oil are expected to nearly triple during 1968-75--from 1.5 billion pounds to around 4.0 billion pounds. This outlook is based upon the prospects in selected key countries indicating future expansion. These are: The Malay States, Indonesia, Cameroon, Dahomey, Ivory Coast, Sierra Leone, and Colombia. Expansion in these countries along with expectations of a partial recovery in other producing countries, chiefly Nigeria and the Congo (Kinshasa), provides the basis for the forecast.

Malaysia is the world's leading exporter of palm oil, accounting for 39% of the 1.5 billion pounds exported in 1968 (table 16). Favorable economic conditions for longterm investment in new oil palm estates and some shift and diversification from rubber to oil palm are factors contributing to the sharp increases in this country. Virtually all of the palm oil produced in Malaysia moves into export.

In 1968, Indonesia and the Congo each accounted for about 23% of world exports of palm oil. Production in Indonesia since 1965 has increased only slightly, but the Congo is regaining importance as a supplier. Nigeria is the world's largest producer of palm oil, but its exports have been reduced sharply due to its internal conflict.

^{1/} For a comprehensive review of the world situation and outlook for palm oil and palm kernel oil, see FFO 1-69, January 1969, published by USDA's Foreign Agricultural Service.

^{2/} The oil palm is native to West Africa and therefore is called the African oil palm.

Table 17.--Palm kernel oil: U.S. supply, disposition and price, 1947-69

Calendar year	Supply				Disposition		Price per pound		
	Apparent production	Imports	Stocks Jan. 1	Total	Exports	Domestic disappearance	Bulk, c.i.f., New York	Congolese, 5% c.i.f., European ports	
	from imported materials 1/								
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents	Cents	
1947	2/	2	2/	3	0	3	---	---	
1948	2/	14	---	14	0	14	---	---	
1949	3/4	4	---	8	0	8	---	---	
1950	8	20	---	28	0	28	---	---	
1951	6	5	2/	11	0	4/11	---	---	
1952	---	11	2/	11	0	4/11	---	---	
1953	---	51	3	54	0	50	---	---	
1954	---	50	3	53	0	43	---	---	
1955	---	46	10	56	0	50	---	---	
1956	---	41	6	47	0	45	---	---	
1957	---	50	1	51	0	48	---	---	
1958	---	51	3	54	0	51	---	---	
1959	---	71	3	74	0	66	16.4	---	
1960	---	88	8	96	0	78	14.1	13.3	
1961	---	84	18	102	0	87	11.2	10.7	
1962	---	84	16	100	0	84	10.9	10.3	
1963	---	83	16	99	0	79	12.5	12.2	
1964	---	85	20	105	0	83	13.3	13.0	
1965	---	83	21	104	0	87	15.4	15.7	
1966	---	109	17	126	0	97	12.9	12.3	
1967	---	104	30	134	0	118	13.1	11.4	
1968 5/	---	121	16	137	0	112	17.6	8/	
1969 6/	---	110	24	134	0	115	7/		
1970									

1/ Estimated from reported consumption, change in stocks, and net foreign trade except as noted.

2/ Less than 500,000 pounds.

3/ Oil equivalent of imported palm kernels.

4/ Beginning stocks assumed to be the same as ending stocks.

5/ Preliminary.

6/ Forecast, except January 1 stocks.

7/ Price quotes discontinued May 1968.

8/ Prices quotes discontinued May 1967.

Table 18.--Palm kernel oil: U.S. utilization, 1947-68

Calendar year	Food					Nonfood				Total Domestic disappearance
	Shortening	Margarine	Salad and cooking oils	Other	Total	Soap	Foots and loss	Other	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1947	1	0	---	1	2	1/	0	1	1	3
1948	1	0	---	10	11	3	0	0	3	14
1949	1/	0	---	0	1/	1/	0	8	8	8
1950	4	0	---	22	26	1/	1	1/	2	28
1951	8	2	---	1	11	0	0	1	1	11
1952	0	0	---	11	11	0	0	0	0	11
1953	3	2	---	15	20	23	6	2	31	50
1954	3	1	---	28	32	6	5	1/	12	43
1955	7	1	---	28	36	5	5	4	14	50
1956	7	1	---	34	42	1	1	1	3	45
1957	3	3	---	42	47	0	1/	0	1	48
1958	0	0	---	47	47	0	4	0	4	51
1959	0	0	---	49	49	11	6	1	17	66
1960	0	0	---	53	53	12	7	7	26	78
1961	0	2	2/3	54	59	14	8	6	28	87
1962	0	0	0	70	70	5	8	2	15	84
1963	0	0	0	69	69	0	8	2	10	79
1964	0	0	0	67	67	0	11	5	16	83
1965	0	0	0	77	77	0	8	2	10	87
1966	0	0	0	87	87	0	7	3	10	97
1967	0	0	0	108	108	0	4	6	10	118
1968 3/	0	0	0	97	97	0	15	1/	15	112
1969										
1970										

1/ Less than 500,00 pounds

2/ Included in other food category in earlier years.

3/ Preliminary

Table 19.--Palm kernel oil: U.S. monthly supply, consumption and price 1965-69

Year and Item	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total or average
<u>1965</u>														
Beg. Stocks	Mil.lb.	21	19	14	12	15	15	17	23	20	19	19	14	
Imports	Mil.lb.	3	5	7	9	8	8	14	4	8	6	5	8	83
Factory Use	Mil.lb.	7	7	7	6	6	6	4	6	7	8	7	6	78
Price <u>1/</u>	¢Per lb.	15.5	15.8	16.0	17.0	17.2	16.9	15.7	15.1	13.8	13.8	13.9	13.9	15.4
<u>1966</u>														
Beg. Stocks	Mil.lb.	17	15	13	11	16	21	21	25	23	23	31	29	
Imports	Mil.lb.	7	8	11	7	20	5	12	5	8	10	10	8	109
Factory Use	Mil.lb.	7	7	7	5	6	6	5	7	4	7	8	10	78
Price <u>1/</u>	¢Per lb.	14.2	14.5	13.9	13.8	12.4	12.0	12.3	12.6	12.8	12.6	12.0	12.0	12.9
<u>1967</u>														
Beg. Stocks	Mil.lb.	29	32	31	28	24	24	23	25	18	20	16	17	
Imports	Mil.lb.	7	9	9	11	13	6	9	4	11	7	15	3	104
Factory Use	Mil.lb.	6	6	8	8	9	6	6	8	6	10	9	11	91
Price <u>1/</u>	¢Per lb.	11.9	11.8	11.8	11.7	11.6	12.4	12.9	13.5	13.0	14.3	15.9	16.9	13.1
<u>1968</u>														
Beg. Stocks	Mil.lb.	16	16	22	15	21	18	21	22	23	28	26	21	
Imports	Mil.lb.	9	11	6	12	11	9	14	5	14	9	8	11	121
Factory Use	Mil.lb.	7	10	13	8	8	9	5	8	10	10	10	8	105
Price <u>1/</u>	¢Per lb.	17.0	17.1	18.1	18.4	<u>2/</u>								
<u>1969</u>														
Beg. Stocks	Mil.lb.	24	16	20	20	29								
Imports	Mil.lb.	4	7	13	11									
Factory Use	Mil.lb.	8	6	5	4									
Price	¢Per lb.													

1/ Bulk c.i.f. New York. 2/ Price quotes discontinued in May 1968.

Table 20.--Palm Kernel oil: U.S. imports by Country of origin and value, 1960-68

Country of origin	1960	1961	1962	1963	1964	1965	1966	1967	1968 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Europe:									
Belgium	---	.4	---	---	---	.9	.9	1.5	.9
Denmark	---	2/	.1	1.3	.1	2/	1.9	2.2	4.8
Germany, West	---	12.7	8.2	3.4	6.7	13.6	2.2	3.9	6.8
Netherlands	16.5	12.4	16.0	21.6	23.9	36.5	32.7	28.1	26.8
United Kingdom	12.2	1.1	11.8	17.8	1.1	.2	---	.3	---
Other	---	---	---	.7	---	---	---	---	---
Total	28.7	26.6	36.1	44.8	31.8	51.2	37.7	36.0	39.3
Asia:									
Indonesia	---	---	---	---	---	---	2.2	---	1.1
Japan	---	1.1	5.8	3.6	3.2	6.4	5.0	.5	1.5
Total	---	1.1	5.8	3.6	3.2	6.4	7.2	.5	2.6
Africa:									
Nigeria	---	---	---	---	---	---	10.8	4.5	---
Republic of Congo	59.6	56.3	42.4	35.1	50.1	23.4	36.8	31.9	38.0
Other	---	---	---	---	---	1.9	16.8	31.3	40.6
Total	59.6	56.3	42.4	35.1	50.1	25.3	64.4	67.7	78.6
Grand total	88.3	84.0	84.2	83.5	85.1	83.1	109.4	104.4	120.6
Value of imports:									
Total (Mil. dol.)	12.9	9.9	8.9	10.1	10.5	12.4	14.8	12.8	19.3
Per pound (cents)	14.6	11.8	10.6	12.1	12.3	14.9	13.5	12.2	16.0

1/ Preliminary.

2/ Less than 50,000 pounds.

Table 21.--Palm Kernels: Estimated production and exports by major producing countries, annual 1964-1968

Country	Production 1/					Exports				
	1964	1965	1966	1967	1968	1964	1965	1966	1967	1968
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Western Hemisphere:										
Mexico	55.2	56.2	57.4	58.4	59.6	---	---	---	---	---
Ecuador	12.8	15.0	13.7	16.6	19.8	---	---	---	---	---
Total	68.0	71.2	71.0	75.0	79.4	---	---	---	---	---
Africa:										
Angola 3/	47.1	37.6	36.7	44.1	36.7	47.1	37.6	36.7	44.1	36.7
Cameroon	77.2	83.8	81.6	83.8	107.8	53.4	54.0	38.1	43.0	2/58.6
Congo, Brazzaville 3/	14.1	12.3	8.8	11.0	8.8	14.1	12.3	8.8	11.0	8.8
Congo, Kinshasa	242.6	165.4	176.4	209.4	231.4	2.4	7/	---	9.0	4.9
Dahomey	123.9	121.0	107.6	94.6	123.4	123.9	36.8	12.8	8.8	16.5
Gambia	3.4	3.8	4.4	4.4	2/4.4	---	---	---	---	---
Ghana	31.4	48.8	49.4	50.0	2/55.1	---	---	---	---	---
Guinea, Portuguese 4/	20.0	19.8	19.8	22.4	17.6	20.1	19.8	19.8	22.5	17.6
Guinea, Republic of 4/	31.3	26.5	22.0	28.7	26.5	31.3	26.5	22.0	28.7	26.5
Guinea, Spanish 4/	4.9	4.9	3.5	3.7	4.4	4.9	4.9	3.5	3.7	2/4.4
Ivory Coast	33.0	35.2	37.4	40.0	46.3	28.2	32.8	20.7	22.3	19.8
Liberia 4/	15.2	25.6	26.2	31.1	30.9	15.2	25.6	26.2	31.1	30.9
Nigeria	899.2	1,017.4	959.0	551.2	496.0	882.9	930.8	882.5	364.0	356.3
Sao Tome & Principe 4/	7.7	7.7	7.7	7.3	7.2	7.7	7.7	7.7	7.3	2/7.3
Senegal 4/	9.5	8.4	7.3	8.6	9.9	9.5	8.4	7.3	8.6	9.9
Sierra Leone	116.8	110.5	122.4	47.0	146.4	116.8	110.5	122.4	25.8	144.0
Togo 4/	32.0	33.7	36.6	28.7	28.4	32.0	33.7	36.6	28.7	28.4
Others	---	---	---	---	---	11.5	10.8	10.6	10.8	6.6
Total	1,709.3	1,762.4	1,706.8	1,341.0	1,480.6	1,401.0	1,352.2	1,255.7	669.4	777.2
Asia:										
Indonesia 5/	73.4	75.0	73.2	86.4	91.8	72.8	72.5	69.4	83.1	88.2
Malaysia 5/ 6/	68.0	78.2	97.4	113.0	139.8	40.3	41.9	50.5	52.0	71.6
Sabah	---	---	---	---	---	.2	.2	1.8	3.7	6.6
Total	141.4	153.2	170.6	199.4	231.6	113.3	114.6	121.7	138.8	166.4
World total	1,918.7	1,986.8	1,948.4	1,540.4	1,692.2	1,514.3	1,466.8	1,377.4	808.2	943.6

1/ Commercial production unless otherwise specified. 2/ Estimated. 3/ Exports of kernels and oil, kernel basis.

4/ Exports. 5/ Estates only. 6/ Net exports. 7/ Less than 50,000 pounds.

Foreign Agricultural Service, Fats and Oils Division.

U.S. Palm Kernel Oil Supplies Leveling

U.S. supplies of imported palm kernel oil have trended upward from around 100 million pounds during 1961-63 to about 135 million in 1967-69 (table 17). Imports during January-April 1969 totaled 34 million pounds compared with 38 million last year. Total imports of palm kernel oil for all of calendar 1969 are estimated at around 110 million pounds, slightly below 1968. Imports of competitive coconut oil are running slightly higher this year than in 1968.

The United States is a leading importer of palm kernel oil but does not import kernels for crushings. In 1968, we imported 121 million pounds of palm kernel oil (table 20). Africa (Congo and Dahomey) supplied about two-thirds and the Netherlands about one-fifth (probably of Nigerian origin). Palm kernel oil is produced in both palm-growing countries and oil-importing countries. The latter produce the oil from kernels received from palm-growing countries.

U.S. disappearance of palm kernel oil has risen from around 85 million

pounds in 1961-63 to 115 million annually in 1967-69. About 85-90% of the oil consumed is believed to be used in food products--competing with imported coconut oil. The Census Bureau does not show end use data for palm kernel oil.

Coconut oil and palm kernel oil are high-lauric acid oils used in quick-lathering toilet soaps and specialty products (such as confectionery, baking goods, and popcorn). The United States does not commercially grow any oil-bearing crops containing lauric acid. The price of imported palm kernel oil is usually significantly higher than those for edible oils produced domestically.

U.S. imports and usage of palm kernel oil probably will continue to expand in the long run. However, the annual volume will vary with the availability and price of coconut oil, imported almost entirely from the Philippines. In 1968, the U.S. disappearance of coconut oil was 811 million pounds or about 7 times that of palm kernel oil.

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